

The Honorable Cyrus R. Vance
Deputy Secretary of Defense
Washington 25, D. C.

Dear Mr. Secretary:

I have signed for Mr. McCone the attached agreement which provides ground rules on the financial responsibility for loss of major equipment loaned between our organizations.

The Department's proposal would seem to restrict application of paragraph one of the agreement to paramilitary operations or similar programs approved by the Special Group (Counterinsurgency). I have inserted into the agreement in place of Special Group (Counterinsurgency) the Special Group 9412/2. I believe we are agreed that the ground rules should apply to the actions authorized by the primary authority which is the Special Group 9412/2.

Paragraph two of the agreement covers all other situations where equipment is actually loaned to another agency or department. There will, of course, be occasions when equipment will be used in a joint effort without an actual loan, in which the burden of extraordinary or additional costs will have to be negotiated.

Faithfully yours,

Marshall S. Carter
Lieutenant General, USA
Acting Director

Attachment
Agreement between SecDefence
and Director, Central Intelligence

O/DPAM/JMClarke: vgd 26 Jan 64
Distribution:

orig and 1 - addressees v/orig of agreement
1 - Acting DCI
1 - ExDir-Compt
1 - ExRegister v/basic and copy of agreement

2 D/DPAM

MISSING PAGE

ORIGINAL DOCUMENT MISSING PAGE(S):

Agreement Missing